

*Legislation could prevent hundreds of thousands of families from losing their homes*

Washington, DC – Today, Rep. Ben Ray Luján voted for legislation that will help families stay in their homes without spending any federal funds. The legislation could significantly decrease foreclosures by providing incentives for banks and homeowners to negotiate for better mortgages.

“As our economy continues to struggle from an inherited crisis, it is critically important to keep homeowners in their homes to prevent further hardship for families,” said Rep. Luján. “By slowing the rapid rate of foreclosures, we will help families and protect the economy from greater harm. This legislation will help achieve these goals through a fair process that does not spend a single federal dollar.”

The Helping Families Save Their Homes Act takes a key step in putting into force President Obama’s comprehensive Homeowner Affordability and Stability Plan. The Helping Families Save Their Homes Act helps more families get affordable mortgages, protects lenders from lawsuits for reasonable loan modifications, and fixes the Federal Housing Administration’s Hope for Homeowners program. It reduces current fees that have discouraged lenders from voluntarily participating. It offers new incentives for lenders to negotiate loan modifications with borrowers who, having exhausted other options, are at risk of foreclosure.

The United States housing market is struggling and more foreclosures will only make the situation worse. Home prices dropped 18 percent in the last quarter of 2008. Nearly one in 5 homeowners owes more than their home is worth and many cannot refinance. Each foreclosed home reduces nearby property values by as much as 9 percent.

“An important component of restoring our economy relies on a stabilized housing market,” said Rep. Luján. “If we do not address the troubles in our housing market, foreclosures will continue, endangering homeowners and harming our economy. Foreclosures displace families and hurts communities and local economies by reducing property values of nearby homes.”

The Helping Families Save Their Homes Act is supported by AARP, Center for Responsible Lending, Consumers Union, Leadership Conference on Civil Rights, National Federation of

Community Development Credit Unions, and National Fair Housing Alliance.